



November 7, 2005

**Comments of the
International Brotherhood of Electrical Workers
on the
Cap and Trade Program Design Options
October 2005 Discussion Draft**

The International Brotherhood of Electrical Workers (IBEW) is pleased to comment on the Cap and Trade Program Design Options Overview Discussion Draft.

There is broad consensus that global warming will have wide ranging effects on the environment and consequently on the health of California's economy. For example, as temperatures rise, water resources will become scarcer, limiting California's development potential and constraining the economy. The effects of global warming could have sweeping impacts throughout California and beyond.

We believe that reducing greenhouse gas emissions is essential to maintain a vibrant California, and we support efforts to mitigate the effects of global warming. Whether a cap and trade program, or some other program is ultimately adopted to reduce greenhouse gas emissions, any program designed to curb greenhouse gas emissions and protect the global environment must also be designed to protect California's economy and jobs in California.

Environmental Protection and Economic Prosperity

Global warming must be combated in a manner that maintains our vibrant economy, protects California jobs, and encourages new economic and job growth. Well chosen greenhouse gas reduction strategies are essential to reduce our contribution to global warming while maintaining our economic growth. With this approach, California can be the leader in creating a climate friendly economy.

We agree with the statement of John Sweeney, AFL-CIO President and Carl Pope, Sierra Club Executive Director: "The transition in the global energy economy is threatening both workers' rights and the climate. We commit ourselves to crafting together a package of worker friendly domestic carbon emission reduction measures."

To be successful in the long-term, greenhouse gas reduction policies must reduce carbon emissions and create employment opportunities in California. Policies that encourage polluters to move out of California destroy jobs and undermine environmental goals. Policy solutions should not create the incentive to export jobs and pollution.

Recommended Scope of Cap and Trade – All LSEs

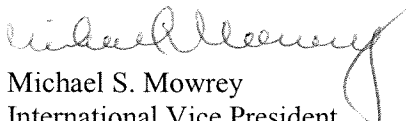
After reviewing the Cap and Trade Program Design Options, we recommend that any cap and trade program include **all** load serving entities (LSEs) in California. This broad program scope would ensure that greenhouse gas reductions are not cancelled out by greenhouse gas emission increases outside of California. This broad program scope also prevents job loss to out of state electricity generation.

As the October 2005 Cap and Trade Program Discussion Draft explains, by limiting greenhouse gas emissions reductions only to in-state electricity generation, the program would encourage a shift to out-of-state energy production, causing emissions regulated under the cap and trade program to “leak out” from under the emissions cap. Along with emission “leakage,” California jobs would also “leak out” causing the loss of thousands of jobs associated with power plant construction, maintenance and operation.

The IBEW represents utility workers at both publicly and privately owned utilities. It is essential that any greenhouse gas control regime does not discriminate based on the type of utility. Regulating greenhouse gas emissions only from the privately owned utilities would miss an opportunity for broader greenhouse gas reductions, and could create a cost advantage to publicly owned utilities that would unfairly tilt the playing field between different utilities. We strongly endorse a greenhouse gas policy that subjects all LSEs to the same requirements, regardless of where the generation is located or the type of ownership of the LSE.

As California looks to lead in mitigating global warming, we support an approach that reduces greenhouse gas emissions and promotes a stronger economy and job protection.

Sincerely,


Michael S. Mowrey
International Vice President
Ninth District

cc: Marc Joseph